it.

But primarily in Norfolk for wireless, for IXCs as well as for ourselves, Norfolk is the primary tandem, and it's more of a network design anomaly based on the geography of the Norfolk LATA, why we have the Harpersville tandem, which just handles our local tandeming for those local offices.

MR. GOYAL: In situations with Verizon has a local tandem and a separate access tandem and uses the local tandem for routing local traffic, does Verizon permit CLEC interconnection at the access tandem?

MR. ALBERT: No. Where we would meet there for local traffic would be at the local tandem.

MR. HARRINGTON: Turning to the Williamsburg tandem for a moment, do you happen to know or the tandem in the Williamsburg area, who do you happen to know the cable operator is in Williamsburg?

MR. ALBERT: Cable TV? No.

MR. HARRINGTON: Would it surprise you to know it's Cox?

MR. ALBERT: No.

MR. HARRINGTON: If Cox were to seek interconnection at that tandem, would it be available?

MR. ALBERT: Interconnection at the Harpersville tandem?

MR. HARRINGTON: At the Harpersville tandem that serves Williamsburg.

MR. ALBERT: I would take a look at it.

MR. HARRINGTON: It's my understanding that Cox would desire that.

But let's go back to the single tandem situation. Or actually to the terms here. Even in situations where there is more than one tandem under VGRIP, if you have co-location at an end office, the IP is going to be designated at that end office. I think that's the testimony yesterday; is that correct?

MR. D'AMICO: Yes, that was the request, the data request, record request.

MR. HARRINGTON: I would like to talk about the situation when you go from a single tandem to more than one tandem in the LATA. As I understand from yesterday's testimony, that's going to happen in Norfolk in 2003 when Bute Street poops out.

MR. ALBERT: Correct.

MR. HARRINGTON: I just wanted to use the technical terms.

Under VGRIP, the CLEC in the single tandem LATAs has the obligation to either have co-location at the end offices with limitation that was discussed earlier that would be by local calling area, or would have to pay the transport. If a CLEC concluded that it made sense under those economic terms to establish co-location, and then it became a multiple tandem market, as is going to happen in Norfolk in 2003, as this provision is written right now, would the CLEC continue to be obligated to take the traffic at the end offices? Or its established co-location?

MR. D'AMICO: When an additional tandem

would be added, then rules for a multi-tandem situation would occur.

Now, I guess there could be some situations where there would need to be maybe some grooming or some conversion or something. I mean, sometimes just flash cutting something isn't desirable for either party.

MR. HARRINGTON: I'm sorry.

MR. D'AMICO: But clearly if it's a multi-tandem LATA, then it should fall under those requirements.

MR. HARRINGTON: But once you have co-location at end office under I think it's 4.1.3.4, Verizon can designate the IP at that end office regardless of whether it's a single tandem or multiple tandem LATA?

MR. D'AMICO: Yes.

MR. HARRINGTON: So, once Cox established co-location, then it would be--the IP would end up being at the co-location site regardless?

MR. D'AMICO: Yes.

MR. HARRINGTON: Now, as it happens, the

Bute Street tandem is exhausting in 2003. Isn't that going to be the middle of this contract, assuming we get one in 2002?

MR. D'AMICO: Sounds like it, yes.

MR. HARRINGTON: The term co-location is used in both of these, it refer to both virtual or physical or just to physical?

MR. D'AMICO: It's a co-location arrangement, so it would be both physical and virtual.

MR. HARRINGTON: I guess one more question. Now, in the direct diagram on this issue--and I believe it is at page 12, lines four to six--I do not have the exhibit number handy, but I think it might be 4 Verizon Exhibit 4.

You described VGRIP as allowing Verizon to deliver its traffic at a more central location.

Now, in a single LATA market where the co-location would be at the end office, or in the situation where there already is co-location, isn't it fair to say that, in fact, it's not a more central location; that is, the least central

location for either Verizon or for the CLEC, because the handoff will occur at disperse points at every possible end office?

MR. D'AMICO: No, I don't believe so because the example could be that there is a single tandem in the southern part of the LATA, and then you would have traffic originating in--large amounts of traffic originating in the northern part of the LATA, then that one tandem is not a centralized location to that traffic originating in the northern part of the LATA, so that's why there is the provision in a single tandem LATA, that there would be that end office point.

MR. HARRINGTON: Could you take a look at Cox Exhibit 7 for a moment. That's the LATA map.

MR. D'AMICO: Did I bring it with me?

Okay.

MR. HARRINGTON: Now, looking at that map yesterday, we talked about the location of the tandem, and it is in Bute Street in Norfolk.

Would you characterize that as a central location in the LATA or a location deep at one end

or deep at another end?

MR. D'AMICO: This is the LATA?

I would say that it's to the lower right.

MR. HARRINGTON: It's not the extreme end of the LATA from Verizon's serving area?

MR. D'AMICO: Well, it could be for traffic from the very north corner.

MR. HARRINGTON: Some places always furthest away?

MR. D'AMICO: Yes.

MR. HARRINGTON: But in general, it's a moderately central location; it's not all the way at one end or all the way at the other?

MR. D'AMICO: I have seen worse, and I have seen better.

MR. HARRINGTON: If you compare that location of the tandem to, say, the Toana local calling area, which is the in the northwestern part of LATA--it's actually in one of the inserts that's pulled out.

MR. D'AMICO: Would I say that that's central to that?

MR. HARRINGTON: Compared to Toana, is it central?

MR. D'AMICO: They seem to be the furthest point apart.

MR. HARRINGTON: I will represent to you that Cox has customers in Toana.

Is it more central for Cox to interconnect at the Bute Street tandem or have to interconnect at Toana or, for that matter, Chincoteague?

MR. D'AMICO: I'm not sure I understand the question.

MR. HARRINGTON: From the perspective of Cox, is Toana a more central location given that Cox's switch, as we previously established, is located four miles from Bute Street, is Toana a more central location or Bute Street, from Cox's perspective?

MR. D'AMICO: I guess Bute Street from Cox's perspective.

MR. HARRINGTON: How about Chincoteague or Bute Street?

MR. D'AMICO: I don't know--I don't know

where--

MR. HARRINGTON: Chincoteague is the northeast.

MR. D'AMICO: From a Cox perspective, probably Norfolk.

MR. HARRINGTON: Is it more central from Cox's perspective to interconnect in every single local calling area where it has customers or interconnect at the central at the Bute Street location?

MR. D'AMICO: Again, you have to look at where the calls are originating from, so what's happening is Verizon is--a Verizon customer in Chincoteague is making a call, and Verizon is hauling it down to the Cox switch in Norfolk. I don't know what that distance is, but--

MR. HARRINGTON: So, what you're saying is it's really more central if have you switches in every local calling area as opposed to being more central than if you have one switch in the LATA?

MR. D'AMICO: Well, again, the whole concept of the VGRIP is trying to address Verizon's

concerns with hauling traffic that's local originating in these calling areas large distances as well as trying to work with the CLECs as far as where their locations are.

MR. HARRINGTON: And if the CLEC locations, their switches are one per LATA, you don't consider that to be a problem?

MR. D'AMICO: Well, again, there's choices. If a CLEC wants to have one POI per LATA, then depending on where it is, the provisions of the VGRIP would cover it.

MR. HARRINGTON: I have no further questions.

But may I have the map back?

MR. D'AMICO: Is that yours? Do you mind if we have red marks on it?

MR. HARRINGTON: I will live.

MR. D'AMICO: I may have a clean one in our briefcase.

MR. HARRINGTON: Don't worry about it.

MR. DYGERT: I think we will have staff questions now.

QUESTIONS FROM STAFF

MR. GOYAL: The first series of questions I have are geared towards understanding the mechanics of the GRIPS and VGRIPs proposals, and I just kind of want Verizon to walk me through how the mechanics of the proposals work, just so I understand how the different parts of it fit together.

The first question I have is, with respect to the VGRIPs proposal, as I understand it, from Verizon's testimony yesterday, Sections 4.1.3.2 and 4.1.3.4 of the Verizon language proposed to AT&T reflect the current state of VGRIPs; is that correct?

MR. D'AMICO: Correct.

MR. GOYAL: And as I read those provisions my understanding is that they modify the selection of the CLEC IP to allow the CLEC to establish an IP at each tandem in a LATA if there are multiple tandems and at end offices at Verizon's designation if there was one tandem per LATA; is that right?

MR. D'AMICO: Yes, sir.

MR. GOYAL: But the rest of the provisions of the VGRIP's proposal as I read it seem to match up with the previous GRIPs proposal with respect to the selection of the POI and the selection of the Verizon IP; is that correct?

MR. D'AMICO: I'm not sure I understood the relationship.

MR. GOYAL: I guess what I'm trying to figure out, when I see those two provisions in the AT&T language that change how the CLEC IP is selected under VGRIPs, I'm trying to figure out what's changed from GRIPs to VGRIPs. Is it just that?

MR. D'AMICO: Under GRIP, it basically says that there would need to be a CLEC interconnection point in each local calling area. Under the VGRIP it would say that that would be at co-location arrangements in the tandems, and then there is another provision, I guess, that says in the event that CLEC is co-located in an end office, Verizon could request that that become an IP, and that's where we had the question of what if there

were multiple end offices in a local calling area.

MR. GOYAL: But with respect to the provisions in GRIPs that determined the selection of the POI and the selection of the Verizon IP, those provisions in the GRIPs proposal and the VGRIPs proposal have not changed?

MR. D'AMICO: Correct, sorry.

MR. GOYAL: That was my question.

MR. D'AMICO: When I think of GRIP or VGRIP, I'm kind of thinking of the traffic from Verizon to the CLEC, but you're exactly right, that Verizon's IP would still be that same language.

MR. GOYAL: Also just so I understand and can focus my questioning, at this point Verizon would take the position that the language proposed to AT&T is reflected in the revised JDPL would be the same VGRIPs proposal made to all petitioners?

MR. D'AMICO: With the exception of that clarification language about the IP in the local calling area.

MR. GOYAL: If I could ask kind of a clarification about that clarification.

Would there be any reason, if Verizon were to change that contract language to require one IP per local calling area as opposed to per switch, per end office switch in each local calling area, is there any reason that modification would apply to AT&T and not to the other parties?

MR. D'AMICO: That would be across the board.

MR. GOYAL: Okay, I just wanted to make sure.

With respect to--the next thing I want to do then is walk through some of the contract language in the GRIPs proposal to make sure I kind of understand how the mechanics of that work. The first section deals with points of interconnection.

Do you have the language in front of you?

MR. D'AMICO: Which?

MR. GOYAL: I'm looking at the WorldCom section--proposed contract language to WorldCom in Section 2.1, 2.1.1, but I believe that that language is analogous in the language proposed to the petitioners.

MR. D'AMICO: Do you have a page on this?

MR. GOYAL: It's page one of the JDPL, and the heading is Points of Interconnection and Trunk Types.

MR. D'AMICO: I'm there, thank you.

MR. GOYAL: As I read this language, and I'm asking just so I understand how the mechanics of this work, the point of interconnection under this language would be where the networks of the CLEC and the ILEC would physically interconnect, and that point would be at the co-location node established at the Verizon IP. And there is a fourth option, which is an entrance facility and transport leased from Verizon and any multiplexing from the MCI POI to the Verizon IP. And the reason I found that somewhat confusing is one, I was trying to figure out where that's actually located. If it's from the POI to the Verizon IP, but it's supposed to determine where the POI is, I had trouble figuring out where the POI would be under that fourth option.

MR. D'AMICO: Under that option, the POI

would be at the CLEC, I guess, switch or premise or whatever you want to--so, in other words, that scenario is saying that the CLEC has a location, a switch, and they want to get trunks or facilities to either Verizon's tandem or Verizon's end office, so that's where there would be an entrance facility, and then inner office transport, and so the POI would be at that CLEC switch.

MR. GOYAL: And as I understand the contract language determining the Verizon IP, that IP is either located at the Verizon tandem wire center or the end office wire center, depending on where the CLEC delivers their traffic, I assume over dedicated facilities to either the tandem or the end office wire center?

MR. D'AMICO: Yes, sir.

MR. GOYAL: So, under this contract language in Section 2, the CLEC's options are either to establish a co-location node at the tandem wire center or the end office wire center or to purchase entrance facilities from the access tariff from the switch--from its switch to either

the Verizon tandem or the Verizon end office?

MR. D'AMICO: Yes, sir.

MR. GOYAL: Okay. Is there a reason why--and here I'm going to approach some of the rationale--is there a reason why the CLEC would not be able to purchase UNE transport from its switch to the Verizon tandem switch or the Verizon end office switch without establishing co-location?

MR. D'AMICO: Yes, I think that comes up in another issue. In order to access the UNE IOF, which is what they would be using, they need to have a co-location to access those points.

MR. GOYAL: I don't want to belabor the issue if it's brought up in another issue, but just so I understand it, is that for technical reasons or is there some other reasons why? In other words, is it technically impossible to access the Verizon switch without establishing co-location if you want to connect UNE IOF to the switch or is there some other reason?

MR. D'AMICO: I don't believe it's a technical reason. I believe it falls under I guess

the rules of how UNE IOF is ordered.

MR. GOYAL: And I will leave the rest of the questions about that issue to when we get to that issue.

The next section of language under that same or the next chunk of language under that same heading deals with the establishment of the Verizon point of interconnection. That would be the physical point at which Verizon hands off its traffic to the CLEC; is that correct?

MR. D'AMICO: Yes.

MR. GOYAL: And that's also determined by a co-location node at the Verizon IP or entrance facilities to the CLEC IP.

Can you explain that to me, sir, why there is a difference.

MR. D'AMICO: Well, one example would be that we could--we could drop it off at the CLEC's arrangement, the co-location arrangement in the Verizon wire center. The other would be that we could build right into the CLEC switch. And then I guess a third is we could drop it off at a CLEC

co-location arrangement, and they could provision the transport and charge Verizon or at least provide that transport.

MR. GOYAL: I think the part that confused me specifically were the sections that deal with co-location node and entrance facilities established at the CLEC IP, because what I understood from reading the contract language and prior to yesterday's testimony was that the IP designated the demarcation point for financial responsibility for hauling the traffic rather than a demarcation point where the networks physically interconnected, and this language seems to suggest that the IP would also be where the networks physically interconnect. That on one side of the IP, of the CLEC IP, there would be dedicated CLEC facilities, and on the other side there would be Verizon facilities.

MR. D'AMICO: I think in one example, the POI and the IP are in the same location; in another example the POI and IP are in two different locations. In other words, if the POI and the IP

were at the CLEC's co-location arrangement, then that would be one example. But if the POI was at the co-location arrangement but the CLEC IP was at their switch, then that would be the second situation.

MR. GOYAL: Actually, could you draw that? Do you mind if we use the AT&T--

MS. FARROBA: I think there is a blank drawing pad back there, if you could use that, a clean sheet. And let's mark this as an exhibit as well.

MR. EDWARDS: I would suggest you make it Verizon Exhibit 52.

MS. FARROBA: Thank you.

(Verizon Exhibit No. 52 was marked for identification.)

MR. D'AMICO: Kind of a start-off diagram here. I try to use letters so we can discuss the transcript to work out.

This is Verizon central office, and this is the Verizon tandem, and this is the CLEC switch.

MS. FARROBA: So, A is the Verizon central

office, and it's connected to B, the tandem, Verizon tandem, and then B is connected to C, the CLEC switch?

MR. D'AMICO: Yes, even though I had the letters, I didn't use them, so it's a good reminder.

And so, which situation would you like me to describe first, or doesn't it matter?

MR. GOYAL: How about co-location node or other operationally equivalent arrangement established at the CLEC IP? So, co-location node at the CLEC IP.

MR. D'AMICO: Okay. In that example, this is the one issue about allowing Verizon to co-locate at the CLEC switch. Verizon would--I guess in this example, we're using tandem trunks, and so from B to C, Verizon would self-provision its trunking and I guess have a point to drop off the traffic at the CLEC IP location.

So, in that case the POI and the CLEC IP are in the same location.

MR. GOYAL: At the CLEC switch?

MR. D'AMICO: Yes. Yes, sir.

MR. GOYAL: My understanding under the contract language for GRIPs is there is a CLEC IP in every local rate center, and under the VGRIPs proposal that there is a CLEC IP at the Verizon local tandem when there is multiple tandems in the LATA or possibly at end office switches when there is one tandem in the LATA.

So, when would a CLEC IP be at the CLEC switch, unless they were purchasing entrance facilities under option D 2.1.3.5?

MR. D'AMICO: This situation could occur where the parties agree--in other words, Verizon would say I want to drop my traffic office at the CLEC switch. Under VGRIP, that's probably unlikely. What would happen would be the second scenario which would be there would be a co-location arrangement at B, which is the Verizon tandem, and then for tandem trunks, Verizon would just terminate its trunks to that co-location arrangement at the Verizon tandem at B, and then that would get back to the CLEC switch through

their arrangement. And if there were end office trunking--

MS. FARROBA: I'm sorry, what arrangement? Through what arrangement would it get back to the CLEC switch?

MR. D'AMICO: That would be the CLEC's choice. They could self-provision between these two points. I guess they could purchase UNE transport back to this location. Whatever--the interconnection ends here, so whatever various choices the CLEC would have to connect the two points together would occur.

If there were a direct trunk because of the volume from this end office, then that direct trunk from A, the Verizon CO, would be in red here, and it would just go straight to that co-location arrangement. And in that situation, again, the POI, the Verizon POI, and the CLEC IP would be in the--would be one and the same.

MR. GOYAL: Are there ever circumstances--are there ever circumstances where the CLEC IP has on both sides of it, both on

Verizon's side and on the CLEC side of it, Verizon facilities' nondedicated facilities to the CLEC?

MR. D'AMICO: A CLEC IP that would have nondedicated facilities?

MR. GOYAL: Verizon com facilities on both sides of it. In other words, the situation I'm trying to describe is where a CLEC establishes a point of interconnection at a Verizon tandem, but has its IP located in the end office switch under either the GRIPs or the VGRIPs proposals. What would be on the other side of the IP? Would there be dedicated CLEC facilities running between the tandem and the central office?

MR. D'AMICO: From A to B, these would be Verizon dedicated facilities and from B, for tandem trunking, from B to the co-lo, these would be dedicated, and then these would be the CLEC.

MR. GOYAL: Now, I understand the facilities from C to B. The facilities from C to B, those would either be constructed by the CLEC leased from a third party, or UNE IOF purchased by the CLEC; is that correct?

MR. D'AMICO: Yes, sir.

MR. GOYAL: From A to B, what would those dedicated facilities be?

MR. D'AMICO: These would be Verizon facilities because we are delivering Verizon-originated traffic to this point, so those would be Verizon-owned facilities.

MR. GOYAL: Okay. And there wouldn't be charges to those CLECs for those facilities, apart from the compensation for originating transport under GRIPs?

MR. D'AMICO: If this were the CLEC IP, then Verizon would get its traffic to B, which is the Verizon tandem.

MR. GOYAL: And then how does Verizon recover its compensation from A to B in that scenario?

MR. D'AMICO: We would be getting revenue from our caller.

MR. GOYAL: If the IP is at the Verizon central office for the transport from to A to B, how does Verizon recover its compensation under

GRIPs or VGRIPs?

MR. D'AMICO: In which direction when we're talking Verizon?

MR. GOYAL: Verizon-originated call going to the CLEC switch. And the IP is at A in the Verizon central office, how does Verizon recover its cost of transport from A to B?

MR. D'AMICO: When you say the IP is at A?

MR. GOYAL: The CLEC IP.

MR. D'AMICO: Again, Verizon would be getting a local call from its customer, and then it would just drop the traffic off at this point.

MS. FARROBA: The point is in the Verizon central office; right? Just for the record.

MR. D'AMICO: Yes. In A.

MS. PREISS: Then how does it get from A to B?

MR. D'AMICO: Well, I guess maybe the situation is, if the CLEC had a co-location arrangement in Verizon's COA, then for traffic from that Verizon central office A, then there would be a trunk group, and then trying to get back to the

CLEC, getting it from that point to the CLEC.

So, this is, I guess, a standard VGRIP, and then if Verizon saw volumes of traffic or if this was a distance away, some criteria because again the language says that even though there is a co-location, existing co-location arrangement that CO, either party may request it. So, the CLEC can either have requested that to be an IP--

MR. GOYAL: I'm not asking what would happen if the location of the CLEC IP and the point of interconnection change. I'm just asking how does Verizon get compensated under VGRIPs for the transport from A to B when the CLEC IP is located at the Verizon CO and the point of interconnection is located at B? How does--my understanding of the CLEC IP is it demarcates financial responsibility for the hauling of the traffic from a Verizon-originating customer to CLEC-terminating customer. I'm just trying to figure out how that compensation works.

MR. D'AMICO: So this would be the event where Verizon would--